

MINUTES OF ROANOKE CITY AUDIT COMMITTEE

August 7, 2006

1. CALL TO ORDER:

The meeting of the Roanoke City Audit Committee was called to order at 1:17 p.m. on Monday, August 7, 2006, with Chair, Sherman P. Lea, presiding.

- **The roll was called by Mrs. England**

Audit Committee

Members Present: Sherman P. Lea, Chair
Mayor C. Nelson Harris
Vice-Mayor David B. Trinkle
Alfred T. Dowe, Jr.
Beverly T. Fitzpatrick, Jr.
Gwen W. Mason
Brian J. Wishneff

Others Present:

Drew Harmon, Municipal Auditor
Darlene L. Burcham, City Manager
William M. Hackworth, City Attorney
Jesse A. Hall, Director of Finance
James Grigsby, Acting Asst. City Manager for Operations
Melinda Mayo, Acting Public Information Officer
Mike Tuck, Assistant Municipal Auditor
Cheryl Ramsey, Senior Auditor
Geri Hayes, Senior Auditor
Doris England, Administrative Assistant

2. APPROVAL OF MINUTES FROM JUNE 5, 2006, MEETING

Chairman Lea asked if there were any corrections or amendments to the minutes of the June 5, 2006, Audit Committee meeting. There were none. Mr. Fitzpatrick moved and Mr. Dowe seconded that the minutes be approved as distributed. A vote was taken and the motion carried. The minutes will be placed on the Consent Agenda for the next City Council meeting.

3. INTERNAL AUDIT REPORT:

A. Department of Human and Social Services – Business Administration

Chairman Lea ordered that item A be received and filed. There were no objections to the order. Chairman Lea recognized Mr. Harmon for comments on the audit.

Mr. Harmon stated the audit of Human and Social Services, which has an annual budget of more than \$22 million, was an audit of the business functions of that area. He explained that in the last two years there were instances in which the city did not apply for all the reimbursements available through the State. There were no findings in this last audit, and Mr. Harmon stated it appeared the business functions were doing well. Mr. Harmon added that Ms. Burcham may have some information for the committee on the year-end reimbursements.

Ms. Burcham stated she had not received anything in writing, but she understood that the non-reimbursables were under \$50,000 this year, which was very good. Mr. Fitzpatrick asked what the non-reimbursables had been in past years, and Ms. Burcham replied they had been upwards of \$600,000. Mr. Harmon explained it was difficult to determine the exact amount, but that was the estimate of what it would have been. Ms. Burcham stated that part of the problem is that the Virginia Department of Social Services allocates its funding in fairly equal amounts across the state. There is a point, generally after mid-year, that the Virginia Department of Social Services identifies which departments are not going to use their allocation; and it is then eligible for redistribution. Ms. Burcham stated the city missed the opportunity to request the redistribution for one year. She explained that the city does not typically get all it needs in the initial allocation, and that is why the Council will see on its agenda in May or June each year an appropriation of additional funds under the Comprehensive Services Act or some other activity. Ms. Burcham stated that due to a change in Human and Social Services' staffing several years ago, the city missed the opportunity for additional funding through redistribution. This was noted by the external auditors. The city was able to go back and get some additional reimbursement. Since then, the Human and Social Services department has been working very hard to keep that non-reimbursable amount down, which Ms. Burcham said she attributed to the Director and her staff. She also noted this is what the audit function is about, not a "gotcha" kind of activity but an opportunity for improvement. Ms. Burcham stated that each time the auditors have brought an issue to the attention of city administration, it has worked diligently to improve upon whatever the issue was.

4. UNFINISHED BUSINESS:

None.

5. NEW BUSINESS:

A. Audit Committee Annual Report – June 30, 2006

Chairman Lea ordered that Item A be received and filed. He asked for any questions or comments from the committee members. There were none.

6. ADJOURNMENT

Chairman Lea thanked Drew Harmon and his staff and stated he looked forward to working with the Municipal Auditing department. He then recognized Dr. David Trinkle who is Vice-Chair of the Audit Committee.

There being no further business, the meeting was adjourned at 1:24 p.m.

Sherman P. Lea, Chair